

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7096

BILL NUMBER: HB 1098

NOTE PREPARED: Jan 3, 2013

BILL AMENDED:

SUBJECT: Noneconomic Damages for Uninsured Motorists.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- (1) Specifies that an insurer may not pay noneconomic damages on a motor vehicle insurance claim for a loss incurred by an uninsured motorist at least 18 years of age.
- (2) Provides that a person who sustained bodily injury or property damage as the result of a motor vehicle accident but who was an uninsured motorist at the time of the accident may not recover noneconomic damages for the person's bodily injury or property damage from another person who was operating another motor vehicle when that other motor vehicle was involved in the accident unless a person other than the uninsured motorist is convicted of a crime in connection with the accident.

Effective Date: July 1, 2013.

Explanation of State Revenues: *Summary:* This bill specifies that an insurer may not pay noneconomic damages for claims of loss incurred by an uninsured motorist unless the coverage for a loss is incurred by an uninsured motorist who is less than 18 years of age or a person other than the uninsured motorist operates the vehicle involved in the accident and is convicted of a crime in connection with the accident.

This may reduce civil court caseload where an uninsured party involved in an accident would otherwise receive a court hearing to recover only noneconomic damages from an offending party. Civil court cases may decrease but will depend on the number of cases in which these civil immunity provisions would apply. Actual decreases are indeterminable.

Court Fee Revenue: If there is a reduction in civil actions and court fees are collected, revenue to the state General Fund may decrease. A civil costs fee of \$100 would have been assessed when a civil case is filed, 70% of which would have been deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) would have been deposited into the state General Fund. Additional fees may have been collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures: Local courts may see a reduction in civil court caseload. Decreases are indeterminable.

Explanation of Local Revenues: *Court Fee Revenue:* If there is a reduction in the number of civil actions that occur, local governments would receive less revenue from the following sources. The county general fund would have received 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may have received 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would have been deposited in the county general fund and 25% would have been deposited in the city or town general fund. Additional fees may have been collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

Information Sources:

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